

State of Alaska FY2007 Governor's Operating Budget

University of Alaska Statewide Services Component Budget Summary

Component: Statewide Services

Contribution to Department's Mission

The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples.

Core Services

The University of Alaska System is composed of several major units: the system office; three separately accredited institutions, University of Alaska Anchorage (UAA), University of Alaska Fairbanks (UAF), and University of Alaska Southeast (UAS); and one separately accredited community college, Prince William Sound Community College (PWSCC) that reports through UAA.

Each of the three major institutions is led by a chancellor who reports to the president of the university system, who in turn reports to the Board of Regents. The Board has 10 members with 8-year appointments and a student regent with a 2-year appointment; they are appointed by the governor and confirmed by the legislature. System administrators reporting to the president include the university's executives in the areas of finance, university relations, research, information technology, legal counsel, human resources, health programs, and student services. While the system office does not deliver any academic degrees or certificates, direct any research programs, or engage in any public service per se, it plays important internal coordinating and external advocacy roles. As well, it provides services to the campuses that are not replicated at the campus level.

Examples of this coordinating function include:

- overseeing the development of academic initiatives, including the state and federal agendas;
- articulating course credits for students transferring between campuses;
- linking the university's training programs with large statewide employers;
- ensuring an appropriately focused academic mission for each major campus;
- encouraging collaborative research and instructional programs across campuses;
- supporting campus-based student services and enrollment management systems;
- leading and staffing a wide variety of consultative councils and governance groups;
- developing the annual operating and capital budgets; and
- ensuring appropriate information technology investment.

Examples of direct services provided by the system to the campuses include providing:

- direction for the university's annual drives for funding from the state legislature and Congress;
- enhancement of the image of the university system with the public of the state;
- aspects of the human resources and labor relations functions, e.g., payroll, benefits, labor relations, classification and compensation;
- legal counsel;
- numerous financial services including the accounting system, land management, risk management, institutional research and management reporting, audit, treasury, debt management, control, and procurement oversight;
- staff support for the Board of Regents and primary responsibility for ensuring implementation of Board policy and direction;
- representation of the university with state and federal officials and agencies; and
- implementation and management of information technology networks and student, finance, and human resources information systems.

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$42,427,200

Personnel:

Full time	149
Part time	1
Total	150

Key Component Challenges

- Statewide Administration provides the leadership and planning for UA campuses to build programs responsive to Alaska's needs. To be most effective Statewide Administration must continue to build and foster partnerships with state and federal agencies and industry. Performance based budgeting implementation, research, health program, workforce development, teacher education, administrative process efficiency and infrastructure development are areas in which Statewide Administration continues to provide leadership and coordination.

- Partnerships guide Statewide in aligning university resources (financial, human and physical) toward the goal of preparing Alaska for success. Drawing from leaders at the state agencies and the capacity of UA's campuses and programs as well as industry partners is necessary. As an example, in preparing for the economic success of a gas pipeline strong collaboration are being created among industry, AK DOL, AK DNR, and UA's programs in engineering, welding, process technology, geography, satellite mapping, and environmental science. Another important partnership is with Post-Secondary education, native corporations and other large Alaska employers in addressing the solutions for increasing needs based financial aid to assure Alaskans have appropriate and affordable access to higher education.

- Statewide must continue to promote solutions for major state issues that significantly impact the ability of UA campuses to provide services. Pressing issues include rising cost of state managed retirement systems, the cost of health care for employees, and the ability to maintain existing facilities.

- Statewide coordination and leadership in moving competitive university research as an industry for Alaska is important. The Vice President for Academic Affairs and Research is leading the state planning for science and technology planning and economic development. Coordination among state leaders and agencies is key to success.

- Statewide coordinates the UA federal agenda and requests. With the tightening federal funding some UA programs can be adversely impacted. Statewide is actively planning for alternative strategies for programs and ways mitigate impacts.

- Statewide will continue providing leadership for developing a focused and limited number of new academic programs, research directions, distance education program options, student service enhancements and information technology enhancements. To this end, over the last 3 years without state funding support UA has started some seriously high need programs on temporary funds. Many of these programs that have demonstrated success and lasting student and employer demand require base funding.

A more comprehensive listing of challenges facing Statewide Programs and Services RDU include:

Meet Board of Regent's Strategic Plan 2009 Goals and Objectives

Continue Performance Based Budgeting:

Increasing student enrollment

Retaining students

Expanding University Generated Revenue

Expanding Research Grant Funding in Priority Areas

Increasing the Number of Graduates in Programs directed at high employment demand

Advance Enrollment Management

Advance Academic Program Planning Processes

Facilitate New Academic Programs

Expand Delivery of Behavioral Health Programs consistent with the UA and the Mental Health Trust plan

Expand and Improve access to UA's Distance Delivered Programs

Manage Retirement and Health Care Benefit Programs
 Improve Financial Aid Process and Financial Aid Availability
 Address intellectual property and technology transfer issues to enhance revenue capacity
 Lead Administrative Efficiency Project Implementations to meet Accountability and Sustainability Goals
 Banner Workflow
 Digital Document Imaging
 Network Bandwidth Management
 Faculty Workload
 Grants and Contract Management
 Facility and Space Management System Implementation
 Procurement Alignment with State
 Enhance Staff and Faculty Professional Development Programs
 Reward strong and lasting program collaborations between campuses
 Strengthen Multi-year capital budget planning process
 Manage Health Care and Pension Issues
 Increase Private Giving and Endowment funding
 Business Continuity Planning and redundancy strategies
 Consolidation of SW and UAF IT operations for enhanced service and efficiency
 Management of bandwidth use and meeting required network protocols for research
 Maintenance of IP Video Conferencing systemwide for instructional and administrative purposes

Significant Changes in Results to be Delivered in FY2007

The Board of Regents FY07 budget request includes program funding to enable Alaskans to be trained and eligible for the legacy jobs being created from the gas line, resource development and possibly ANWR. The state has the choice and the time to do things differently; it can invest in UA programs today and watch the good jobs (those that remain after construction) go to Alaskans or it can let the “boom” happen and see those jobs filled by transients. Existing UA programs and services are contributing significantly to the goal of putting Alaskans in good jobs but more trained engineers, construction managers, project managers, technical workers and support occupations (i.e. accountants, purchasing agents, analysts, etc.) are needed. The new program investments will add to the number of students who are qualified and ready to work on these new endeavors. One of UA’s five primary performance measures is the number of graduates in programs addressing high demand jobs. In FY05, UA increased graduates in these fields by 4% from FY04 and 20% since FY01, contributing 2,056 graduates to the workforce (nearly 80% of whom stay and work in the state – some fields exceed 90%). Assuming state funding for personnel and other fixed cost increases and requested program investments, by FY09 we expect the number to be 2,500 graduates, a 20% increase, due primarily to growth in engineering, process technology and transportation and natural resources. Health fields that have increased 50% overall, with a doubling of nursing graduates in the last five years, will grow modestly but not as significantly as in the past. Many of the new health programs, including 12 active nursing sites, are now reaching capacity.

UA’s performance-based budgeting approach has been utilized over the last two years and has set the stage for articulating specific measurable performance expectations. UA is currently using five primary performance measures. These metrics provide an indication of UA’s overall success and the state’s commitment to higher education. This performance based budgeting approach ensures that UA’s limited resources are directed to those priority programs that align *UA Strategic Plan 2009* goals and campus strategic and academic plans. Results expected in FY07 for these measures follow: UA is targeting a 1% enrollment increase; 5% increase in the number of high demand program graduates; an increase from 66% to 67% in freshmen to sophomore student retention; a 7% increase in university generated revenue, and an 8% increase in externally funded research in FY07, with the request of \$4 million added state investment for competitive research. The enrollment increase will be the result of UA’s continued success in attracting Alaska’s recent high school graduates and attracting non-traditional students in high demand workforce training areas, such as allied health, behavioral health, construction, information technology and teacher training.

Major Component Accomplishments in 2005

- Led Accountability and Sustainability Efforts resulting in advancing 10 major administrative efficiency implementations
- Funded and executed the “Creating Alaska Project” that will document and celebrate the 50th anniversary of Alaska’s Constitutional Convention including a traveling museum display, debut an original documentary on

AlaskaOne Public Television, host a “Conference of Young Alaskans” for high school and college students, and several other community activities all occurring November 2005 to February 2006.

- Utilized Performance Based Budget Processes Systemwide
- Implemented the MyUA enterprise portal, allowing students and potential to access most UA services from a single page and single sign-on including financial aid, admission, registration, events calendars, grades, employment opportunities. Future implementation will focus on staff and faculty services.
- Led a major planning effort to deliver allied health instruction and secured funding from the Denali Commission for significant facility renovations to accommodate the programs.
- Led major planning efforts and implementation of the behavioral Health Program Partnership in conjunction with the MHT and AK Department of Health and Social Services including PhD psychology, social work, human services, and rural behavioral health training academy.
- Executed the Alaska Statewide mentor program on behalf of the AK Department of Education and Early Childhood Development. During the 2004/2005 school year, 339 beginning teachers in 31 school districts received mentoring from 22 master teachers. Of the first year teachers mentored in FY04, 76% were retained to the second year an unprecedented success for small schools.
- Conducted needs base financial aid roundtables with ACPE, Native Corporations, students and UA officials. One resulting outcome was the February FAFSA Frenzy campaign and “College Goal Sunday” supported by the Governor.
- Assisted in passage of the UA Lands Bill which directs transfer of 250 thousand acres of state land holding to UA for development, as well as educational and research purposes.
- Achieved strong bond ratings from Moody's and Standard and Poor's A1 and AA- respectively.
- UA's Consolidated Fund that includes the Land Management Trust funds and UA Foundation funds had an 11.1% return for FY05.
- Developed a new wellness program to help control health care costs. Also transitioned UA union represented employees to the UA Choice healthcare plan. Although initial cost of the UA Choice transition are significant it is designed for long term cost control.
- Developed and implement a new optional retirement plan that can be selected by executive and faculty. It is a defined contribution program contributing 12%. This is a year in advance of the state defined contribution program to start in FY06.
- Continued coordination of the UA Scholars. 434 UA Scholars have graduated from degree and certificate programs since its inception, nearly all are living in state and 82% are working in Alaska.
- Continued coordination of the ACT/College Savings Plan. Alaska residents account for over \$100 million of the \$1.8 billion held in trust for students to access for higher education costs. Of the 16,000 Alaskan College Savings account 55% belong to families with income under \$50 thousand, thus reaching those students who need to save most. UA partnership program with PFD makes savings for these moderate and low income families possible. Morningstar, a nationally recognized investment research firm, ranks UA's college saving plan as one of the top five IRS-529 plans in the nation.
- Continued leadership for Alaska Teacher Placement and conducting a principle mentor program.
- Expanded nursing program delivery sites to 12 sites total, including the three being added in January 2006. UA is on track to double the number of nursing graduates by 2006.

Statutory and Regulatory Authority

No statutes and regulations.

Contact Information

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Statewide Services Component Financial Summary

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	13,412.0	15,628.8	17,729.8
72000 Travel	1,561.1	1,549.7	1,597.7
73000 Services	12,982.8	22,307.2	22,337.2
74000 Commodities	884.2	532.5	532.5
75000 Capital Outlay	715.4	143.0	155.0
77000 Grants, Benefits	69.6	75.0	75.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	29,625.1	40,236.2	42,427.2
Funding Sources:			
1002 Federal Receipts	1,918.7	2,379.6	2,656.4
1004 General Fund Receipts	9,898.3	11,698.8	13,365.1
1007 Inter-Agency Receipts	612.1	150.0	150.0
1048 University Restricted Receipts	10,538.8	20,655.7	20,803.6
1092 Mental Health Trust Authority Authorized Receipts	0.0	0.0	100.0
1151 Technical Vocational Education Program Account	134.7	150.5	150.5
1174 UA Intra-Agency Transfers	6,522.5	5,201.6	5,201.6
Funding Totals	29,625.1	40,236.2	42,427.2

Summary of Component Budget Changes From FY2006 Management Plan to FY2007 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	11,698.8	2,379.6	26,157.8	40,236.2
Proposed budget decreases:				
-University Lands Bill FiscN Reversal Ch8 FSSLA05	0.0	0.0	-250.0	-250.0
Proposed budget increases:				
-UofA Competitive University Research Investment (Ph 1 of 5)- Infrastructure	100.0	0.0	0.0	100.0
-UofA Preparing Alaskans for the New Jobs-Vocational Education	150.0	0.0	0.0	150.0
-UofA Continue Programs Meeting State Needs-Nursing,Behavioral & Allied Health	250.0	200.0	400.0	850.0
-U of A Adj Base Maintenance & Repair	22.5	0.0	7.5	30.0
-U of A Adj Base Healthcare/Other Benefit Increase	326.4	19.4	24.1	369.9
-U of A Adj Base Pers Retirement Increase	226.4	30.6	34.8	291.8
-U of A Adj Base TRS Retirement Increase	26.9	1.7	2.0	30.6
-U of A Adj Base ORP Retirement Increase	98.2	6.9	7.8	112.9
-U of A Adj Base Non Bargaining- Step Increase	231.7	17.8	16.1	265.6
-U of A Adj Base Non Bargaining- Salary Market Increase	27.9	0.0	4.1	32.0
-U of A Adj Base Non Bargaining- Salary Grid Increase	204.3	0.0	0.0	204.3
-U of A Adj Base UNAC-Market Increase	0.2	0.4	1.5	2.1
-U of A Adj Base UNAC-Grid Increase	1.8	0.0	0.0	1.8
FY2007 Governor	13,365.1	2,656.4	26,405.7	42,427.2

Statewide Services Personal Services Information

Authorized Positions		Personal Services Costs	
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>	
Full-time	144	149	Annual Salaries 9,306,241
Part-time	0	1	Premium Pay 0
Nonpermanent	0	0	Annual Benefits 4,451,214
			Labor Pool(s) 4,710,790
			Less 4.00% Vacancy Factor (738,445)
Totals	144	150	Total Personal Services 17,729,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
[No valid job title]	0	6	0	0	6
Accountant	0	1	0	0	1
Admin Generalist 4	0	1	0	0	1
Admin Specialist 1	0	1	0	0	1
Administrative Assistant	1	10	0	0	11
Analyst (NonExempt)	0	1	0	0	1
Assistant To	0	2	0	0	2
Associate Director (Admin)	0	1	0	0	1
Associate General Counsel	0	2	0	0	2
Associate Vice President	0	6	0	0	6
Auditor	0	3	0	0	3
Capital & Plant Fund Analyst	0	1	0	0	1
Coordinator (Exempt)	0	6	0	0	6
Coordinator (Non-Eexempt)	0	1	0	0	1
Coordinator (Nonexempt)	0	2	0	0	2
Coordinator (Non-Exempt)	0	6	0	0	6
Director (Admin)	1	12	0	0	13
Director (Admin/Non Executive)	1	0	0	0	1
Director (Admin/Non Executive)	0	2	0	0	2
Engineer	0	1	0	0	1
Executive Director	0	2	0	0	2
Executive Officer	0	2	0	0	2
Fiscal Manager 3	0	1	0	0	1
Fiscal Manager 2	0	2	0	0	2
Fiscal Manager 3	0	3	0	0	3
Fiscal Professional 1	0	2	0	0	2
Fiscal Professional 2	0	3	0	0	3
Fiscal Professional 3	0	5	0	0	5
Fiscal Tech 2 - Travel Coord	0	1	0	0	1
Fiscal Technician 2	1	2	0	0	3
Fiscal Technician 3	0	6	0	0	6
Fiscal Technician 4	1	0	0	0	1
General Counsel	0	2	0	0	2
Human Resource Manager 3	0	3	0	0	3
Human Resource Professional 2	0	3	0	0	3
Human Resource Professional 3	0	1	0	0	1
Human Resource Professional 4	1	2	0	0	3
Human Resource Professional 5	0	1	0	0	1

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
IS Professional 1	0	2	0	0	2
IS Professional 2	0	4	0	0	4
IS Professional 3	0	2	0	0	2
IS Professional 4	0	2	0	0	2
Manager	3	3	0	0	6
Office Manager/Legal Assistant	0	1	0	0	1
President	0	1	0	0	1
Program Manager	0	1	0	0	1
Property Officer	0	1	0	0	1
Publication Assistant	0	1	0	0	1
Raiser's Edge Database Admin	0	1	0	0	1
Real Estate Technician	1	0	0	0	1
Research Professional 2	0	1	0	0	1
Research Professional 3	0	2	0	0	2
Research Professional 4	0	2	0	0	2
Research Professional 5	0	1	0	0	1
Special Assistant	0	1	0	0	1
Technician	0	3	0	0	3
Vice President	0	4	0	0	4
Vice President Research	0	1	0	0	1
Totals	10	140	0	0	150